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(Code No. 8150 Listed in the First Section of the Tokyo Stock Exchange)

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For Immediate Release:

## Plan for Compliance with Listing Maintenance Criteria for New Market Category

Regarding the revision of the market categories for the Tokyo Stock Exchange, Inc. scheduled for April 2022, the Company resolved at the Board of Directors meeting held on October 20, 2021 to select listing on the Prime Market. The Company then submitted the application form to the Tokyo Stock Exchange. As of the transition record date (June 30, 2021), the Company has not met the listing maintenance criteria for the Prime Market. Therefore, the Company has prepared the following plan for compliance with listing maintenance criteria for the new market category.

### Details

#### 1. Status of the Company's compliance with listing maintenance criteria and planning period

The status of the Company's compliance with listing maintenance criteria for the Prime Market as of the transition record date is shown below. The Company has not yet satisfied the criteria for ratio of shares in circulation. Therefore, the Company is taking the following measures to satisfy the listing maintenance criteria for ratio of shares in circulation at the time of finalizing the shareholder registry on March 31, 2022.

	Number of shares in circulation	Total market capitalization of shares in circulation	Ratio of shares in circulation	Average daily trading value
Situation of the Company (as of the transition record date)	65,129 units	13,716,890,150 yen	26.8%	41,213,165 yen
Listing maintenance criteria	20,000 units	10,000,000,000 yen	35%	20,000,000 yen
Items listed in plan			Listed	

Note: The compliance status of the Company is calculated based on the distribution status, etc., of the Company's stock certificates, etc., which the Tokyo Stock Exchange, Inc. has ascertained as of the record date.

## 2. Basic policy, issues, and details of initiatives to comply with listing maintenance criteria

### (1) Basic policy

Moving forward, the Company will work to satisfy the listing maintenance criteria for the Prime Market while focusing on efforts to improve the effectiveness and transparency of corporate governance, continuing to be a target for investors to invest with peace of mind, and increasing corporate value through constructive dialogue with shareholders.

### (2) Issues and details of initiatives

The Company regards ROE and ordinary profit as important management indicators. The current V73 Medium-Term Management Plan<sup>1</sup> sets ROE of 5% as a quantitative target. As measures to achieve this target, we are working to improve profitability through business structural reforms, expand business in growth markets, strengthen corporate governance, and actively acquire treasury stock to improve capital efficiency. From June 22, 2021 to July 19, 2021, the Company implemented the tender offer for treasury stock of 7,000,000 shares.<sup>2</sup> As a result, as of September 30, 2021, the Company held 11,964,840 shares (49.28% of the total number of outstanding shares) of treasury stock, which is one of the factors suppressing the ratio of shares in circulation.

Considering the possibility of utilizing treasury stock in the future, the Company decided that improving the ratio of shares in circulation by retiring 8,000,000 shares is the optimal method of satisfying the listing maintenance criteria for the Prime Market without damaging the shareholder value. Accordingly, at the Board of Directors meeting held today, the Company resolved to retire 8,000,000 shares of treasury stock.<sup>3</sup> If calculated based on the latest shareholder registry (as of September 30, 2021) using the total number of outstanding shares (16,281,373 shares) as of November 19, 2021, which is the effective date for retirement of treasury stock, the ratio of shares in circulation is 36.96%. Therefore, when the shareholder registry is finalized on March 31, 2022, the Company is expected to satisfy the listing maintenance criteria for the Prime Market.

- 1 For details, please see the “Notice Regarding the V73 Medium Term Management Plan” that was announced on May 12, 2021.
- 2 For details, please see the “Notice Regarding Planned Acquisition of Treasury Stock and Tender Offer of Treasury Stock and Reduction of General Reserve, Capital Reserve, and Retained Surplus” that was announced on May 12, 2021.
- 3 For details, please see the “Notice Regarding Retirement of Treasury Stock” that was announced on November 5, 2021.